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Attorneys for Debtor-in-Possession

**UNITED STATES BANKRUPTCY COURT**  
**EASTERN DISTRICT OF CALIFORNIA, FRESNO DIVISION**

In re:  
 FREON LOGISTICS, INC.,  
 Debtor-in-Possession.


Case No. 22-11907-B-11  
 Chapter 11  
 DC No. LKW-1  
 [No Hearing Requested]  
 Date: N/A  
 Time: N/A  
 Place: N/A  
 Judge: Honorable Rene Lastreto, II

**EXHIBIT TO APPLICATION FOR ORDER AUTHORIZING EMPLOYMENT  
 OF GENERAL COUNSEL PURSUANT TO 11 U.S.C. § 327(a)  
 (COUNSEL FOR DEBTOR)**

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Date: November 9, 2022

LAW OFFICES OF LEONARD K. WELSH

By:   
/s/ Leonard K. Welsh  
 LEONARD K. WELSH  
 Attorneys for Debtor-in-Possession

# LAW OFFICES OF LEONARD K. WELSH

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1800 30<sup>th</sup> Street, Fourth Floor  
Bakersfield, CA 93301

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Attorney  
Leonard K. Welsh\*  
Kathilee Welsh

Legal Assistants  
Trinette M. Lidgett

November 8, 2022

Hardeep Singh  
Freon Logistics  
8200 North Laurelglenn Blvd., No. 1906  
Bakersfield, CA 93311

Re: Freon Logistics – Chapter 11 Representation

Dear Mr. Singh:

Thank you for retaining the Law Offices of Leonard K. Welsh (“the Firm”) to represent Freon Logistics (“the Corporation”) in connection with a Chapter 11 case to be filed in the United States Bankruptcy Court for the Eastern District of California. The following is a statement of the Firm’s policies regarding representation and billing procedures. Please review this information so that there are no misunderstandings concerning the nature and scope of the Firm’s employment and the method of our compensation. Please contact me if you have any questions.

**Representation.** The services that the Firm will perform for the Corporation will be limited to representing it in a Chapter 11 case to be filed in the United States Bankruptcy Court for the Eastern District of California. The Firm will perform all legal services for the Corporation which may be necessary in its Chapter 11 case except as set forth below.

**Limitations on Scope of Representation.** The Firm’s representation in this matter is limited solely to the Corporation and no other individuals or entities associated with the Corporation due to applicable Bankruptcy laws **unless expressly agreed otherwise in writing.**

FURTHERMORE, THE FIRM IS NOT BEING RETAINED TO GIVE TAX ADVICE AS TO THE RAMIFICATION OF ANY AND ALL TRANSACTIONS AND EVENTS INVOLVED IN THE REPRESENTATION, AND THE CORPORATION ACKNOWLEDGES THAT IT HAS BEEN ADVISED TO SEEK INDEPENDENT TAX ADVICE AND PROCURE ITS OWN TAX REPRESENTATION ACCORDINGLY.

**Fees and Recordkeeping.** A retainer of \$55,000.00 has been paid to the Firm by the Corporation. The retainer represents security for payment of fees and costs to be incurred by the Firm in connection with its representation of the Corporation. The Firm has deposited the retainer into its Attorney-Client Trust Account and the Corporation hereby grants a security interest in the retainer in favor of the Firm to secure payment of

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Exhibit A  
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\*Certified Specialist in Business Bankruptcy Law  
and Consumer Bankruptcy Law by the  
American Board of Certification

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fees and costs to be incurred by the Firm in connection with its representation of the Corporation. The security interest granted to the Firm by this Agreement will be perfected by possession of the retainer by the Firm as permitted by law. See *Cetenko v. United California Bank*, 30 Cal. 3d 528 (1982) and Commercial Code Section 9304(1).

The Firm's fees are computed on an hourly basis in accordance with the standard rates of the attorney and legal assistant performing the work. Currently, these rates are:

LEONARD K. WELSH	\$400.00 PER HOUR
KATHIEE WELSH	\$250.00 PER HOUR
LEGAL ASSISTANT	\$150.00 PER HOUR

The Firm's rates are subject to change and the applicable rates will be those in effect at the time the services are rendered. The Firm will keep accurate records of the time it devotes to the Corporation's case including conferences (both in person and over the telephone), negotiations, factual investigation, legal research and analysis, document preparation and revision, travel on behalf of the Corporation, and other related matters. We record our time in units of tenths of an hour.

**Costs and Expenses.** The Firm typically incurs and pays on behalf of our clients only those costs arising in connection with legal services which do not exceed \$250.00. Charges in excess of \$250.00 will be forwarded to the Corporation for direct payment. Costs and expenses advanced or paid by the Firm on behalf of the Corporation and will be billed in addition to fees for services and will be itemized on the Corporation's invoice.

Typical costs incurred include long distance telephone charges, telecopy charges, messenger, courier and express delivery charges, printing and reproduction costs, filing fees, deposition and transcript costs, appraisal fees, witness fees, travel and parking expenses as well as all other costs incurred in the course of this matter. The Firm incurs outside costs as agents for our clients and incurs internal expenses on behalf of our clients, who agree that these costs will be paid on a regular basis.

It is impossible to determine in advance the amount of time that will be needed to complete any particular case or the total amount of fees or costs which may be incurred. Attorneys occasionally are requested to estimate the amount of fees and costs likely to be incurred in connection with a particular matter. If the Firm furnishes an estimate, it is based on our professional judgment, but is with the understanding that it is not a maximum or fixed fee quotation. The ultimate cost frequently differs from the amount estimated.

**Billing Arrangements and Terms of Payment.** The Firm will keep you informed of the work being done on the Corporation's case and it will receive an invoice each month describing the work performed and the expenses incurred and/or paid by it from its retainer during the preceding month. After the Chapter 11 Case is filed, the Firm will not withdraw any money on deposit in its Attorney-Client Trust Account in the Corporation's name for payment of fees or costs owed to the Firm until such withdrawal has been authorized by the Bankruptcy Court or the Chapter 11 case has been dismissed. However, the Corporation will pay the invoices delivered to it by the Firm when the retainer has been reduced to \$2,500.00 and after authorization for payment by the Bankruptcy Court or dismissal of the Chapter 11 case. The Firm's billing procedures are designed to be simple and clear. I encourage you to contact me if you have any questions regarding a statement, or if you disagree with the amount of our fee or with any of our bills. Typically, questions or problems that are

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raised promptly can be resolved to the satisfaction of all with little inconvenience. If no questions are raised regarding a statement, the Firm will assume that you understand and accept the statement.

The Firm has found that in order for a proper attorney-client relationship to exist and be successful, it is necessary that legal fees be paid promptly and in accordance with the fee arrangement. Only in this way can the attorney and the client maintain the mutual confidence in each other which is necessary for the proper representation of the client. Accordingly, the Firm will give you prompt notice if the Corporation's account becomes delinquent, and you agree to bring the amount current. If the delinquency continues and the Corporation does not arrange satisfactory payment terms, the Firm will withdraw from the representation and pursue collection of its account. The Corporation agrees to pay the costs of collecting the debt, including court costs, filing fees, reasonable attorneys' fees and other costs of collection. In matters resulting in a judgment, settlement or other payment in favor of the Corporation, the Firm shall have a lien thereon to the extent of any unpaid fees or costs. The Corporation agrees to venue and jurisdiction in Kern County, California if it does not file for relief under the Bankruptcy Code or the United States Bankruptcy Court for the Eastern District of California if it does file for relief under the Bankruptcy Code. This agreement is entered into in Bakersfield, California and shall be subject to the laws of the State of California.

**Conclusion of Services.** When services in regard to this matter have concluded, all unpaid fees and costs shall become immediately due and payable. Upon request, the Firm will deliver the Corporation's files to you, along with any personal property in the Firm's possession. Should the Firm decide, in its sole discretion, to copy, in whole or in part, the file or any other materials delivered to you, such copies will be made at your expense and the Corporation shall be responsible for such copy costs.

Unless the Firm is contacted to make other arrangements, the Firm will store the Corporation's file for a minimum of five years. The Firm will then attempt to contact you to make arrangements for the final disposition of the file or for its destruction. We urge you to notify us of changes of address to ensure that you may be located should you wish the file not to be destroyed.

**Arbitration.** In the event of a fee dispute which is not readily resolved, you have the right to request arbitration by the Kern County Bar Association, and the Firm agrees to participate in that process.

**Termination.** In the event that the Corporation determines that it does not want this firm to continue to represent it, you have the right to terminate the Firm's services upon written notice at any time. The firm also has the right to terminate its services to the Corporation after such termination has been authorized by the Bankruptcy Court if it fails (a) to pay in full each statement as submitted, (b) to cooperate on a reasonable request, or (c) to disclose material facts, or if the Firm determines that continuing services to you would be unethical, impractical, or improper. Termination of our services, by either party, will not affect the Corporation's responsibility for payment of legal services rendered and expenses incurred before termination and in connection with an orderly transition of the matter (including the cost incurred in making copies of the file or other papers released to you).

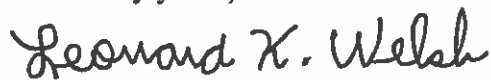
**Error and Omissions Insurance.** The Firm maintains errors and omissions insurance coverage applicable to the services which we render.

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Please review this letter and please feel free to discuss with me any questions you may have. If you agree to the terms of this agreement, please sign and date this letter in the space provided below. The signed letter should be returned to my office. I would like to thank you again for retaining the Firm to represent the Corporation. The Firm and I look forward to working with you.

Sincerely yours,



Leonard K. Welsh

LKW:tml

**APPROVED AND ACCEPTED:**Dated: November 8, 2022

FREON LOGISTICS

By   
HARDEEP SINGH

[By the above signature, I also acknowledge receipt of a copy of this Retainer Agreement.]

**CONFIDENTIAL COMMUNICATIONS**

The Firm will engage in confidential communications as a part of your bankruptcy case. You hereby authorize the Firm to communicate with persons associated with your case and you via telecopier, e-mail, and cellular telephone, even through these methods of communication have some risk of being accessed by unauthorized third parties.

E-mail address: \_\_\_\_\_

FREON LOGISTICS

By   
HARDEEP SINGH